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**BEFORE THE ARIZONA CORPORATION COMMISSION**COMMISSIONERS

Arizona Corporation Commission

**DOCKETED**COMMISSIONERS

ROBERT "BOB" BURNS - Chairman

MAR 31 2020

BOYD DUNN

SANDRA D. KENNEDY

DOCKETED BY

JUSTIN OLSON

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LEA MÁRQUEZ PETERSON

In the matter of

FOREX &amp; BITCOIN TRADER,

DOCKET NO. S-21085A-19-0271

Respondent.

DECISION NO. 77575**ORDER TO CEASE AND DESIST AND  
ORDER FOR ADMINISTRATIVE  
PENALTIES**

On November 1, 2019, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order to Cease and Desist and Notice of Opportunity for Hearing (the "Notice") against Respondent Forex & Bitcoin Trader.

On December 9, 2019, the Division served a copy of the Notice, upon Respondent, by signed delivery via Fed Ex at Respondent's place of business. No request for a hearing or answer to the Notice has been filed as of March 9, 2020.

**I.****FINDINGS OF FACT**

1. Forex & Bitcoin Trader ("F&B" or "Respondent") is an unincorporated entity that is not registered as an entity in Arizona.

2. F&B maintains a website, [www.fxnbitcoinrader.com](http://www.fxnbitcoinrader.com) (the "Website") with contact information that up until approximately the middle of August 2019, listed an address in New York, NY. It also listed a phone number with New Jersey area code 732, and email address [info@fxbitcointrader.com](mailto:info@fxbitcointrader.com).

1           3.       By the end of October 2019, F&B began using an address in London, United  
2 Kingdom. F&B's other contact information includes a number for WhatSApp in the UK, a U.S. phone  
3 number with New York City area code 929, and the email address [info@fxbitcointrader.com](mailto:info@fxbitcointrader.com).

4           4.       In August 2019, F&B published an advertisement on Craigslist.com. The ad's subject  
5 line read "Invest \$1000! Keep calm, earn \$10000 as returns in 2 weeks.....(Phoenix, Prescott,  
6 Tucson, Sierra Vista, Yuma)." The ad describes a "passive income opportunity" and an "investment  
7 program" that will earn high returns.

8           5.       On August 7, 2019, an Arizona resident responded to F&B's Craigslist ad. She  
9 received a response that same day asking for her phone number. On August 15, 2019, she received  
10 an email in reply to her response to the Craigslist ad. The email had an attached ad saying that if she  
11 invested \$1,000 today, she'd receive \$10,000 within two weeks, "guarantee or your money back."  
12 The contact info refers the Arizona resident to the Website and has a phone number with area code  
13 732 to call.

14           6.       F&B also communicated with the Arizona resident via text messages. On August 8,  
15 the day after she responded to the Craigslist ad, she received a text from a phone number with area  
16 code 978 asking her to visit the Website. The text came from "Paul Tam Sing (Account Manager)"  
17 and gave a New York address. In subsequent texts, Sing asked the resident to invest \$500 to "try out  
18 this program."

19           7.       On August 22, 2019, the Arizona resident filled out the "Customer Account  
20 Application" on the Website. The next day, she received an email from [admin@fxnbitcointrader.com](mailto:admin@fxnbitcointrader.com)  
21 informing her that her application has been approved and stating that she had 24 hours to send an  
22 initial investment of \$1,000 by Venmo. The email signature block was for "Paul Tam Sing (Account  
23 Manager)" with the New York address and the telephone number with the 732-area code.

24           8.       Subsequent emails and texts from F&B over the next three weeks repeatedly asked  
25 the Arizona resident to invest and provided a PayPal account to invest in. F&B also asked the Arizona  
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1 resident if she had visited their website for information and explained that in exchange for her  
2 investment the Arizona resident would receive a “link user and password to track the progress.”

3 9. On October 25, 2019, a second Arizona resident contacted F&B by text using F&B’s  
4 phone number with a 732 area code. This Arizona resident asked for more information on bitcoin  
5 investments. F&B responded by confirming that they have bitcoin investments and directed the  
6 person to the Website. This Arizona resident visited the Website and reviewed the materials on it.  
7 The Website’s content was unchanged from the content in September except that F&B now listed  
8 the UK address as described in paragraph 4 above.

9 10. On its Website, F&B includes the following FAQ:

10 Is F&B licensed as a broker?

11 Yes. F&B is authorized for trading in financial and commodity-  
12 based derivatives and other securities, including foreign exchange.

13 11. F&B is not, however, licensed as a dealer or salesman in Arizona; it is not registered  
14 or licensed as a dealer, broker, salesman, investment adviser, or investment adviser representative in  
15 any state or by the Financial Industry Regulatory Authority, an independent regulator of securities  
16 firms doing business in the United States. Additionally, F&B is not a member of the NFA, the self-  
17 regulatory organization for the U.S. derivatives industry.

18 12. In its Craigslist ad, on the Website, and in the ad emailed to an Arizona resident, F&B  
19 repeatedly claims that returns on the investment are guaranteed. Nowhere on its Website or in  
20 correspondence with the Arizona residents does F&B disclose any risks of investing in bitcoin,  
21 crypto currencies or foreign currencies.

22 13. F&B is the subject of an Emergency Cease and Desist Order issued by the Texas State  
23 Securities Board on August 6, 2019. This order lists several fraud violations that F&B committed in  
24 connection with the offer and sale of unregistered securities by unlicensed brokers/dealers. At no  
25 point did F&B disclose this order to either Arizona resident.  
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**II.****CONCLUSIONS OF LAW**

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. Respondent offered securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(16), 44-1801(22), and 44-1801(27).

3. Respondent violated A.R.S. § 44-1841 by offering securities that were neither registered nor exempt from registration.

4. Respondent violated A.R.S. § 44-1991 by (a) employing a device, scheme, or artifice to defraud, (b) making untrue statements or misleading omissions of material facts, or (c) engaging in transactions, practices, or courses of business that operate or would operate as a fraud or deceit.

This includes the following:

- a. Representing that F&B is a licensed broker when in fact F&B does not have any license or registration as a securities broker, dealer or salesman with Arizona or any other state or FINRA.
- b. Representing that an investment with F&B is guaranteed to produce large returns without disclosing any risks of investing in crypto currencies or foreign currencies.
- c. Failing to disclose that F&B is the subject of a cease and desist order from the Texas State Securities Board.

5. Respondent's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

6. Respondent's conduct is grounds for administrative penalties under A.R.S. § 44-2036.

**III.****ORDER**

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2  
3 THEREFORE, on the basis of the Findings of Fact, and Conclusions of Law, the Commission  
4 finds that the following relief is appropriate, in the public interest, and necessary for the protection  
5 of investors:

6 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondent, and any of Respondent's  
7 agents, employees, successors and assigns, permanently cease and desist from violating the Securities  
8 Act.

9 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent shall pay an  
10 administrative penalty in the amount of \$10,000 as a result of the conduct set forth in the Findings of  
11 Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be made  
12 to the "State of Arizona." Any amount outstanding shall accrue interest as allowed by law.

13 IT IS FURTHER ORDERED that the administrative penalty ordered in the preceding  
14 paragraph will accrue interest at the rate of the lesser of (i) ten percent per annum or (ii) at a rate per  
15 annum that is equal to one per cent plus the prime rate as published by the board of governors of the  
16 federal reserve system in statistical release H. 15 or any publication that may supersede it on the date  
17 that the judgment is entered.

18 IT IS FURTHER ORDERED, that if Respondent fails to comply with this order, the  
19 Commission may bring further legal proceedings against Respondent, including application to the  
20 superior court for an order of contempt.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

  
 CHAIRMAN BURNS
   
 COMMISSIONER DUNN
   
 COMMISSIONER KENNEDY
   
 COMMISSIONER OLSON
   
 COMMISSIONER MÁRQUEZ PETERSON



IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 31 day of March, 2020.

  
 MATTHEW J. NEUBERT  
 EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Carolyn D. Buck, ADA Coordinator, voice phone number (602) 542-3931, e-mail [cdbuck@azcc.gov](mailto:cdbuck@azcc.gov).

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SERVICE LIST FOR: *In re Forex & Bitcoin Trader*

Forex & Bitcoin Trader  
1 King's Arms Yard  
London, EC2R7AF  
United Kingdom